

SANTA BARBARA COUNTY SHERIFF'S OFFICE
CALIFORNIA OFFICE OF EMERGENCY SERVICES
CALIFORNIA MULTI-JURISDICTIONAL
METHAMPHETAMINE ENFORCEMENT TEAM
PROGRAM

Audit Reports

For the Period of July 1, 2007 through June 30, 2008

DATE RECEIVED:



AUDIT REVIEW #(s) 04556

Assigned To: Mount

Date Reviewed: _____

Reviewer's Initials: _____

Date Review(s) Completed: _____



Issued by the Office of Santa Barbara County Auditor-Controller
Robert W. Geis, CPA, Auditor-Controller

**Santa Barbara County Sheriff's Office
California Office of Emergency Services
California Multi-jurisdictional Methamphetamine Enforcement Team
Program**

Audit Reports

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County of Santa Barbara

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Office of the Auditor-Controller

Auditor's Report

To the Office of the Santa Barbara County Sheriff:

We have audited the accompanying Categorical Reporting Schedule (the financial schedule) of the Office of the Santa Barbara County Sheriff (Sheriff) for the California Multi-jurisdictional Methamphetamine Enforcement Team (Cal-MMET) Program Grant funded by the State of California, Office of Emergency Services (OES) grant number MH07020420 for the period July 1, 2007 through June 30, 2008.

The financial schedule is the responsibility of the Sheriff's management. Our responsibility is to express an opinion on the financial schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and certain provisions of the *OES Recipient Handbook*. Those standards and the *OES Recipient Handbook* require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial schedule, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial schedule. We believe that our audit provides a reasonable basis for our opinion.

As required by various statutes within the California Government Code, the County Auditor-Controller is required to perform certain accounting functions. These activities, in themselves, impair independence under Government Auditing Standards. We believe that the following safeguards and division of responsibility exist to retain the audit organization independence. The Santa Barbara County Auditor-Controller is directly elected by the voters of the jurisdiction being audited. Also, the audit staff, having the responsibility to perform audits, resides in a stand-alone division of the Auditor-Controller's Office and has no other responsibility of the accounts and records being audited.

As described in Note 1 to the financial schedule, the Sheriff's Office prepares OES Form 201 in accordance with OES requirements. The accounting practices used to prepare OES Form 201 differ from accounting principles generally accepted in the United States of America. Accordingly, the accompanying financial schedule which is based in part on OES Form 201 is not intended to present the financial position and changes in financial position of the County in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial schedule referred to in the first paragraph presents fairly, in all material respects, the approved budget and cumulative expenditures and revenues received of the County of Santa Barbara, Sheriff's Office for the Cal-MMET Program Grant funded by the State of California, Office of Emergency Services for the grant period July 1, 2007 through June 30, 2008, in conformity with the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated March 25, 2009 on our consideration of the Sheriff's internal control over financial reporting pertaining to the financial schedule and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

This report is intended for the information of the Sheriff's management and for filing with the State of California Office of Emergency Services. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read "R. W. Geis", with a stylized flourish at the end.

Robert W. Geis, CPA
Auditor-Controller
March 25, 2009

**Santa Barbara County Sheriff's Office
California Office of Emergency Services
California Multi-jurisdictional Methamphetamine Enforcement Team
Program**

**Categorical Reporting Schedule
For the Period, July 1, 2007 through June 30, 2008**

Grant #		Actual	Revenues	Balance of
MH07020420	Budget	Expenditures	Received	Funds to be
Personnel Services	\$ 266,833	\$ 266,833	\$ 190,821	\$ 76,012
Operating	68,028	67,223	9,600	57,623
Equipment	15,139	15,139	9,452	5,687
	<u>\$ 350,000</u>	<u>\$ 349,195</u>	<u>\$ 209,873</u>	<u>\$ 139,322</u>

See accompanying notes to financial schedule.

**Santa Barbara County Sheriff's Office
California Office of Emergency Services
California Multi-jurisdictional Methamphetamine Enforcement Team
Program**

**Notes to the Categorical Reporting Schedule
For the Period, July 1, 2007 through June 30, 2008**

1. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial schedule is prepared from the grant award and budget modifications as approved by the Office of Emergency Services (OES), the Reports of Expenditures and Request for Funds (OES Form 201), and the Sheriff's records.

OES Forms 201 were prepared by the Sheriff's personnel in accordance with OES requirements. The basis of accounting used in preparing OES Form 201 differs from accounting principles generally accepted in the United States of America. Accordingly, the accompanying financial schedules are not intended to present the financial position and changes in financial position in conformity with accounting principles generally accepted in the United States of America.

2. Budget Modifications

All budget modifications were approved by OES in accordance with Section 7500 of the *OES Recipient Handbook*. All budget modifications are reflected in the financial schedule.

County of Santa Barbara

Robert W. Geis, C.P.A.
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Office of the Auditor-Controller

Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Categorical Program Schedule Performed in Accordance With *Government Auditing Standards* and the *OES Recipient Handbook*

To the Office of the Santa Barbara County Sheriff:

We have audited the Categorical Program Schedule (the financial schedule) for the California Office of Emergency Services California Multi-jurisdictional Methamphetamine Enforcement Team (Cal-MMET) Program of the Office of the Santa Barbara County Sheriff (Sheriff) for the period July 1, 2007 through June 30, 2008, and have issued our report thereon dated March 25, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and certain provisions of the *OES Recipient Handbook*.

Internal Control over Financial Reporting

We considered the Sheriff's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial schedule, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Sheriff's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the schedule that is more than inconsequential will not be prevented or detected by the Sheriff's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the schedule will not be prevented or detected by the Sheriff's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance as to whether the financial schedule is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant requirements. However, the objective of our audit of the financial schedule was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under the *OES Recipient Handbook* and which is described in the accompanying schedule of findings and questioned costs as item 2008.1.

This report is intended for the information of the Sheriff's management and for filing with the State of California Office of Emergency Services. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read "R W Geis".

Robert W. Geis, CPA
Auditor-Controller
March 25, 2009

**Santa Barbara County Sheriff's Office
California Office of Emergency Services
California Multi-jurisdictional Methamphetamine Enforcement Team
Program**

**Schedule of Findings and Questioned Costs
For the Period, July 1, 2007 through June 30, 2008**

Finding No. 2008.1 – Salary and Benefit Costs

Salaries and benefits charged to the grant must be for time spent on activities allowable under the terms and conditions of the grant. Allowable activities are those related to efforts focused on suspects engaged in methamphetamine manufacturing and trafficking. During the audit, we identified \$514.41 of overtime costs that were not related to these activities. The questioned costs identified were charged during a transitional period between Program Directors.

Recommendation: The department should establish procedures to ensure that during transitions between Program Directors expenditures are monitored for compliance with grant terms and conditions.

Management's Response

The Sheriff Department agrees with Finding No. 2008.1 and that it occurred during a transitional period. The department will review and update its grant operation procedures to ensure that all expenditures billed to future grants will be closely monitored in the event of a personnel change. In addition, management has already taken steps to eliminate miscoding by training the supervisors who approve time cards during the grant period. Those supervisors are now required to report all grant overtime use to the Program Director at the end of each pay period. The Program Director will audit the overtime use quarterly.

**Santa Barbara County Sheriff's Office
California Office of Emergency Services
California Multi-jurisdictional Methamphetamine Enforcement Team
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**Status of Prior Year Findings and Questioned Costs
For the Period, July 1, 2007 through June 30, 2008**

**Finding No. 2007.1 – Accounting Transactions Not Formally Recorded in
Accounting Records**

Summary:

Section 6220 of the *OES Recipient Handbook* requires the Office of the Santa Barbara County Sheriff to make a formal entry in their accounting records to record accounting transactions. During the audit, we noted \$17,709 of cash expenditures made during the liquidation period not evidenced by a formal entry in the accounting records.

Status:

Implemented. Prior year finding was a result of the grant allocation crossing fiscal years. The grant is now on a fiscal year cycle and all expenditures are recognized by formal entries to the accounting records.

COUNTY OF SANTA BARBARA

ROBERT W. GEIS, C.P.A.
Auditor-Controller

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OFFICE OF THE AUDITOR-CONTROLLER

March 26, 2009

Local Assistance Monitoring Branch
Governor's Office of Emergency Services
3650 Schriever Avenue
Mather, CA 95655

04554



To Whom It May Concern:

Enclosed is the audit report for the California Multi-jurisdictional Methamphetamine Enforcement Team (Cal-MMET) Program of the Office of the Santa Barbara County Sheriff for the period of July 1, 2007 through June 30, 2008. If you have any questions, please contact me at (805) 568-2142.

Sincerely,

A handwritten signature in black ink, appearing to be "Jane Lee".
Jane Lee
Accountant-Auditor

cc: [Heather Harkless, Audit Manager]